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AUTHOR	Blank, Helen
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ABSTRACT

New federal money for child care, flowing to the states as a result of the landmark 1990 child care legislation, titled the Child Care and Development Block Grant Act, has prompted states to make significant improvements in state child care programs and policies. Based on a national survey conducted in 1993 by the Children's Defense Fund (CDF), this digest reviews ways that states are using federal funds to invest in child care quality and supply. The digest focuses on eight areas of child care needs: (1) licensing and monitoring; (2) resource and referral services; (3) child care for infants, school-age children, and special needs children; (4) child care for low-income families; (5) comprehensive and enriched services; (6) training for providers; (7) salaries; and (8) statewide planning. The CDF report indicated that block grant money has been used by states to provide grants to providers to help them meet licensing requirements; to expand or improve programs for children with special needs; to raise reimbursement rates to low-income families; to supplement Head Start programs by enriching program services or extending program hours; to fund training for rural providers and pay for providers' coursework toward credentials or degrees; and to create advisory committees for implementing the block grant. Despite these gains, the need for child care assistance remains huge. Federal, state, and local governments must collaborate with the private sector, religious organizations, and volunteer groups to meet the child care needs of low-income families. (BC)

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ERIC Clearinghouse on Elementary and Early Childhood Education
University of Illinois • 805 W. Pennsylvania Ave. • Urbana, IL 61801-4897
(800) 583-4135 • ericeece@ux1.cso.uiuc.edu

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Using Federal Funds To Improve Child Care

Helen Blank

New federal money for child care, flowing to the states as a result of the landmark 1990 child care legislation called the Child Care and Development (CCD) Block Grant Act, has prompted states to make significant improvements in state child care programs and policies.

A recent report by the Children's Defense Fund (CDF) (1993), based on a survey of the 50 states and the District of Columbia, shows that states have used CCD block grant money to:

- serve more children and families needing child care assistance;
- expand the supply of child care available to low-income families;
- improve access to child care services through better resource-and-referral services; and
- enhance the quality of child care programs serving low-income children.

This digest reviews ways that states are using federal CCD block grant funds to invest in child care quality and supply, focusing on eight specific areas of child care needs.

Child Care Licensing and Monitoring

State officials view the monitoring of child care programs as the most essential activity for ensuring quality, according to a recent study by the U.S. General Accounting Office (1992). CDF's survey of state child care administrators confirms states' concern about child care licensing and monitoring. At least 40 states have used block grant money to improve licensing and monitoring activities, and 22 states have used block grant money to provide grants and loans to help child care providers meet licensing or registration requirements and to help with start-up costs.

Resource and Referral Services

Resource and referral services (R&Rs) are an essential component of a strong child care system. R&Rs counsel families about their child care options; help families locate appropriate services; and, in some locations, administer child care voucher programs and gather data concerning their community's child care needs. The CDF study indicated that all but eight states invested CCD block grant funds in supporting the development of an R&R network. Florida, for example, used block grant money to establish standards for R&R agencies and to help R&Rs make their parent counseling services more effective.

Child Care for Infants, School-Age Children, and Children with Special Needs

In general, parents have difficulty finding appropriate care for infants, school-age children, and children with special needs because these types of care are in short supply. According to the CDF study:

- twenty-two states used CCD block grant funds to invest in new infant care programs or to support training for providers who work with infants;
- forty-six states put block grant money into developing school-age programs or training providers who served school-age children;
- nineteen states used block grant funds to expand child care services for teen parents; and
- twenty-eight states used block grant money to expand or improve the quality of child care services for special needs children; Minnesota, for example, launched an initiative to recruit and train providers to care for special needs children, and the state of Washington intends to fund each of its counties to pay for comprehensive child care for homeless children to avert the need for the children to enter Protective Services.

Child Care for Low-Income Families

Low state reimbursement rates in public child care programs historically have discouraged providers from serving low-income families. In 1990 CDF found that state child care officials in 36 states believed that their state reimbursement rates or policies deterred providers from serving low-income children (Adams, 1990). Many states are using CCD block grant money in an effort to remedy these concerns. For example, 36 states have used the block grant to raise reimbursement rates, thereby increasing the supply of providers and improving the quality of care for low-income children; and 22 states have changed their reimbursement policy regarding absent days to remove disincentives for serving low-income children.

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In addition, some states have used block grant money to make it easier for low-income parents to apply for and receive child care assistance. For example, Ohio has developed one application form for all of its child care programs and one simplified contract for all providers. Parents may pick up and drop off applications at libraries and health centers. Texas has implemented a statewide child care management system through which all funding is channeled.

Comprehensive and Enriched Services

Comprehensive and enriched child care and early childhood programs are especially important for low-income children. The CDF study revealed that:

- twenty states have used CCD block grant funds to supplement their federally funded Head Start programs, often by enriching program services or extending program hours;
- five states have used block grant funds to enable some child care providers to offer enriched services; and
- New Jersey and Washington have invested block grant funds in state preschool programs that provide comprehensive services.

Training for Providers

Since 1990 every state but one has invested some block grant money in training providers. State initiatives have included special training for providers serving low-income children, the use of mobile vans to bring training programs to rural providers, payments for providers' coursework toward early childhood credentials or degrees, and the development of statewide training programs.

Salaries

Only nine states have used block grant funds for specific compensation-related projects. These states are using a variety of approaches, including establishing commissions, conducting surveys about ways to improve salaries and benefits for providers, and linking increased training and credentialing to salary improvements.

Statewide Planning

Almost every state created some type of advisory committee to plan for initial implementation of the CCD block grant. These committees often forged new relationships between child care advocates and state administrators, and new partnerships among agencies responsible for child care and early childhood education. Wisconsin and Kentucky used the early planning process to create a legislative blueprint for the state's future child care activities. In many states the planning process resulted in closer statewide collaboration than had previously existed.

Conclusion

All states have used the new federal child care funds to increase the number of low-income families receiving child care assistance. At least 19 states have enabled more low-income families to receive child care assistance by raising the income cutoff for eligibility; 9 states have raised the maximum income that families already receiving assistance can earn before losing their child care subsidy; and 30 states are providing more assistance to low-income families by adjusting their sliding-fee scales.

Despite these important gains, the unmet need for child care assistance remains huge. Because available state and federal child care funding cannot fill the need for child care assistance, most states either have lengthy waiting lists for child care assistance or have stopped accepting new applications for assistance.

Conditions such as these clearly indicate that federal, state, and local governments must collaborate with the private sector, religious organizations, and volunteer groups if we are going to meet the child care needs of low-income families.

Adapted from: Blank, Helen. (1993). Improving Child Care Quality and Supply: The Impact of the Child Care and Development Block Grant. *Young Children* 48(6, Sep): 32-34. EJ 469 386.

For More Information

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